

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Peabody Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2016
DATE: December 10, 2014

Required Fiscal Year 2016 Appropriation: **\$10,950,662**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2016 which commences July 1, 2015.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2016 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of their January 1, 2014 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Office of the Mayor
City Council
c/o City Clerk



Peabody Retirement Board

Projected Appropriations

Fiscal Year 2016 - July 1, 2015 to June 30, 2016

Aggregate amount of appropriation: **\$10,950,662**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2016	\$15,095,217	\$10,806,069	\$144,593	\$10,950,662	\$10,950,662	\$0	\$4,144,555
FY 2017	\$15,690,951	\$11,203,874	\$148,208	\$11,352,082	\$11,352,082	\$0	\$4,338,869
FY 2018	\$16,309,747	\$11,615,828	\$151,913	\$11,767,741	\$11,767,741	\$0	\$4,542,006
FY 2019	\$16,952,497	\$12,042,405	\$155,711	\$12,198,116	\$12,198,116	\$0	\$4,754,381
FY 2020	\$17,620,130	\$12,484,097	\$159,603	\$12,643,700	\$12,643,700	\$0	\$4,976,430

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

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Breakouts

	<u>Total</u>	<u>City</u>	<u>Light</u>	<u>Housing Authority</u>	<u>Water</u>	<u>Sewer</u>	<u>Hospital</u>	<u>Brooksby Farm</u>	<u>Skating Rink</u>	<u>Golf Course</u>
(1) Payroll of Active Participants	\$40,148,574	\$31,957,075	\$5,118,562	\$972,545	\$1,215,132	\$240,308	\$0	\$172,704	\$178,577	\$293,671
Percentage of Total Payroll	100.00%	79.60%	12.75%	2.42%	3.03%	0.60%	0.00%	0.43%	0.45%	0.73%
(2) Actuarial Accrued Liability	\$243,154,445	\$185,469,732	\$34,359,860	\$6,233,755	\$5,665,447	\$1,480,741	\$8,479,898	\$303,307	\$580,849	\$580,854
(3) Assets	\$120,689,272	\$92,057,569	\$17,054,455	\$3,094,113	\$2,812,034	\$734,963	\$4,208,982	\$150,546	\$288,303	\$288,306
(4) Unfunded Actuarial Accrued Liability	\$122,465,173	\$93,412,163	\$17,305,405	\$3,139,642	\$2,853,413	\$745,778	\$4,270,916	\$152,761	\$292,546	\$292,548
(5) Total Employer Contributions										
(a) ERI	\$131,645	\$77,703	\$30,042	\$7,981	\$5,049	\$10,870	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	9,515,522	7,258,108	1,344,627	243,950	221,710	57,947	331,849	11,870	22,731	22,731
(c) Employer Normal Cost	1,395,064	1,235,756	131,732	(7,076)	10,378	11,875	-	1,838	3,552	7,010
(d) Administrative Expenses	<u>200,000</u>	<u>159,194</u>	<u>25,498</u>	<u>4,844</u>	<u>6,054</u>	<u>1,198</u>	<u>0</u>	<u>860</u>	<u>890</u>	<u>1,462</u>
(e) Total Appropriation	\$11,242,231	\$8,730,761	\$1,531,899	\$249,699	\$243,191	\$81,890	\$331,849	\$14,568	\$27,173	\$31,203
Percent of Total Appropriation	100.00%	77.66%	13.63%	2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%
(6) Fiscal 2015 Appropriation	\$10,396,673	\$7,960,732	\$1,472,169	\$227,687	\$251,599	\$75,896	\$345,170	\$11,436	\$22,873	\$29,111
Percent of Total Appropriation	100.00%	76.57%	14.16%	2.19%	2.42%	0.73%	3.32%	0.11%	0.22%	0.28%
(7) Fiscal 2016 Appropriation	\$10,950,662	\$8,504,284	\$1,492,575	\$243,105	\$236,534	\$79,940	\$323,045	\$14,236	\$26,282	\$30,662
Percent of Total Appropriation	100.00%	77.66%	13.63%	2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%
(8) Fiscal 2017 Appropriation	\$11,352,082	\$8,816,027	\$1,547,289	\$252,016	\$245,205	\$82,870	\$334,886	\$14,758	\$27,245	\$31,786
Percent of Total Appropriation	100.00%	77.66%	13.63%	2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%